Makale / Article

Critical Perspectives on Social Capital and Development: Theory and Practice

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Abstract

This study intends to investigate the concept of social capital on the basis of evidence provided by theoretical perspectives and empirical studies. Various definitions of social capital touch upon beliefs, values, networks, and trust by complicating the meaning and creating conceptual chaos. In addition to shaky conceptual foundations, methodological inadequacies are also framing numerous problems and challenges. Moreover, lack of power, class, race, gender etc. analysis in the literature makes it difficult to contribute to poverty alleviation. In this respect, first, the origins of the social capital, definition, and the development of the concept will be explored. The investigation of the role of the World Bank in the promotion of the concept and the empirical evidences will constitute second part of this work. It is argued here in order to foster mechanisms of development, social capital projects require broader, more collaborative, and innovative approaches.

Keywords: Social Capital, Development, Poverty, World Bank.

Sosyal Sermaye ve Kalkınma Üzerine Eleştirel Yaklaşımlar: Teori ve Pratik

Öz

Bu çalışma, sosyal sermaye kavramını alandaki teorik yaklaşımlara ve ampirik çalışmalara dayanarak eleştirel bir bakış açısıyla incelemeyi amaçlamaktadır. Sosyal sermaye kavramının toplumdaki inanç, değer ve güven ilişkilerine dokunan çok sayıdaki tanımı anlam karmaşası ve kavramsal karışıklık yaratmaktadır. Bu çok sağlam olmayan kavramsal altyapıya ek olarak metodolojik yetersizlikler de bilimsel açıdan kavramın sorgulanmasına neden olmaktadır. Sosyal sermaye literatüründe güç, sınıf, ırk, toplumsal cinsiyet analizlerinin eksik olması kavramın yoksulluğun giderilmesi ve kalkınma konularında katkıda bulunmasını zorlaştırmaktadır. Bu bağlamda çalışmanın ilk bölümü sosyal sermaye kavramının çıkış noktası, tanımı ve gelişmesine odaklanacaktır. Dünya Bankası'nın ampirik tasarımları ve teşvikleri bu çalışmanın ikinci bölümünde incelenecektir. Sonuç olarak, kalkınma mekanizmalarını harekete geçirebilmek için sosyal sermaye kavramı daha geniş, kapsayıcı ve yenilikçi bakış açılarına ihtiyaç duymaktadır.

Anahtar Kelimeler: Sosyal Sermaye, Kalkınma, Yoksulluk, Dünya Bankası.

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Introduction

This paper intends to question whether social capital can be a remedy for structural vulnerabilities such as poverty, persistent social and economic inequalities, inefficiencies etc. in many developing countries. This is a vital challenge for global system, since nearly 1 out of 10 people in the world lives under extreme poverty trying to survive on less than $1.90 a day and 3/5 of the world's extremely poor are concentrated in just five countries (Mahler et al., 2022; Katawaya and Wadhwa, 2019). In addition, income inequalities are also extreme. While the richest 10 percent today is getting 52 percent of global income, the poorest half gets only 8.5 percent of global income (Stanley, 2022). Many governments, international institutions, and NGOs have developed different concepts, policies, and measures in the fight against the poverty, which remains to be a crucial problem.

Social capital is one of these attempts, which, by design and circumstance, has achieved popularity under the auspices of the World Bank. Trust, cohesion, participation, and accountability are the central themes of the social capital that have shaped the World Bank projects. This study investigates what the social capital is, how it operates and is measured in the projects, and what opportunities it can bring for development. This study aims to illustrate that social capital is a limited and inefficient concept to fight against the global poverty in many aspects because it cannot focus on organically embedded structure of the developmental problems. However, it is promoted especially by the World Bank according to policies and interests of international institutions.

This paper proceeds as follows. First section will focus on vagueness of the concept and scrutinize different interpretations and classifications of social capital. Second section will raise important critiques of the concept and methodology based on empirical evidence. On the basis of theory and evidence, findings will be summarized in conclusion.

Defining the Concept

Social capital has been one of the most popular concepts in the social sciences over the last two decades. It has wide range of meanings but in its broader sense social capital refers to the relations between people and their effects on different transactions. This buzz term has been used to analyze various issues, ranging from education and health to economic and political transition of developing countries. In the literature, there are many studies arguing that

social capital helps improving capabilities of people to express trust, cooperation, and reciprocity in their community life (Boultilier, 2017; Muringani et al., 2021; Carmeci et al., 2021). Therefore, policy-makers should pay attention to enhancing social capital in their societies to achieve meaningful change and development goals.

Actually, in spite of the fact that they did not use the concept of 'social capital', from Aristotle to Tocqueville and then many social scientists referred to the significance of civil society, social ties, and the networks among people. Nevertheless, the study of Coleman (1988) introduced the concept of 'social capital' in the social sciences and since then the concept has been widely used in the literature. Especially, Putnam (2000)'s best-seller book *Bowling Alone* increased the popularity of the concept and spread the usage of the concept throughout the social sciences. The triumph of the concept is related to the fact that social capital has blur definition and is easily adapted to different fields of social and even medical sciences.[1] Nevertheless, a common definition of the concept that includes main points can be reached neither within a discipline, nor across fields.

Listing a number of definitions can demonstrate the vagueness of the concept and the lack of a widely accepted definition. Bowles and Gintis (2002: F419) claim, "social capital generally refers to trust, concern for one's associates, a willingness to live by the norms of one's community and to punish those who do not". Serageldin and Grootaert (2000: 45), whose study includes important theoretical and empirical knowledge on social capital, state "...social capital generally refers to the set of norms, networks and organizations through which people gain access to power and resources that are instrumental in enabling decision-making and policy formulations". Lin (2000: 786) defines social capital as "investment and use of embedded resources in social relations for expected returns". Many definitions emphasize positive group externalities that can be achieved by trust, norms, values, and expectations. The existence of social organizations, networks, and relations establishes and institutionalizes trust, values, and norms.

Different perspectives on social capital are investigating the concept by focusing on various distinctions. One of main the distinctions can be made between perspectives that are focusing on the process and the ones concentrating on the outcome. The perspectives emphasizing the process assess more communitarian views because they believe in the priority of the social

1 For further information on the impact of social capital on health and medical projects see Navarro (2004).

structure and relations. On the contrary, those focusing on the outcome investigate the benefits that social networks will bring. According to this point of view, the interest and benefit determine the participation of a human in a social network. In a similar vein, another distinction can be made between the perspectives concentrating on individual and the perspectives accentuating civic nature of the concept. Portes (2000) and Kilpatrick, Field, and Falk (2003) are investigating civic and individual perspectives on social capital that are opposing each other. By attributing to French sociologist Pierre Bourdieu and Coleman, Portes (2000) argues that the explanations based on individual are centered on the benefits that the network will bring for the individual in the future. In this point of view, social capital enables individual to establish and benefit from social relations without the need of economic and cultural resources. The civic perspectives, on the contrary, emphasize the benefits that social capital will bring for the whole society. In this respect, social capital becomes an asset for the cities and countries, not for the individual. For instance, it is believed that good governance, accountability, and low crime rates can increase the wealth of whole community. It is clear that these contrasting perspectives lead to different interpretations. However, it is a common view in the 'community benefit' perspective that networks are open and inclusive, there are strong external ties, and these networks are tolerant to diversity within groups.

Nevertheless, another distinction can be made through the level of exclusiveness of the social network. According to this categorization, the concept is classified as bonding and bridging social capital (Szreter, 2002). Bonding social capital is inclined to be more exclusive and to have clear boundaries. Sharing same group identity, status, social origins, traditional values, and community spirit are distinctive features of bonding social capital. In sum, it is a closed system that based on privileges and has membership criteria. Bridging social capital, on the contrary, is inclusive and gives priority to diversity. The shared status, identities, origins, and values do not determine membership in bridging social capital. The participants engage together in a social network because they reach values, interest, and benefits, which they cannot reach alone.

In conclusion, despite its common usage in the social sciences, the boundaries and characteristics of the concept are blur. Therefore, the vagueness of the concept results in different interpretation and distinctions. In addition, the popularity of the concept promotes its usage as if it is a synonym with all the good things in social life. However, the critics of the concept and the social capital programs in developing countries implemented under the

auspices of the World Bank, attempt to indicate that social capital is a remedy for neither economic development, nor illnesses of the society.

Critiques of the Theory, Methodology, and Practice

Theory and concept

One of the most important critiques of the concept is the vagueness of its meaning. The social capital is a good example for conceptual stretching in the social sciences that it tries to cover all issues related to society in all disciplines from political science to media studies.[2] Every discipline in the social sciences tries to fill the lack of a descriptive definition but each attempt digresses from the main subject and produces a new inefficient definition. Therefore, conceptual vagueness promotes producing new studies but it is reducing the quality of theoretical and empirical research on social capital.

From the existing literature on the social capital, there is a tendency to think that it always brings about positive consequences. However, there is this omitted fact that strong social ties do not always produce beneficial results. There is always the possibility of promoting some members of the group and excluding others. In order to analyze the consequences of social ties, one should know for what purposes and under what conditions the social structure is formed. For instance, a mafia group also encourages strong social ties but their purposes are destructive (Navarro, 2002).[3] The Ku Klux Klan was also a societal organization engaged into crimes. Moreover, corruption, clientelism, and nepotism can easily spread in closed societies that have strong social ties. In his analysis on corruption in East Asia, Eastern Europe, Middle East, and Latin America, Collier (1999, 2013) argues that corruption tends to occur where primordial relations (ethnic, religious, family, and sectarian) are stronger. Collectivistic societies are much more familiar with corruption compared to individualistic societies. The former is usually governed by dominant clan, group, and religious sects. Besides, kinship is important not only in social life but also in their political culture. Kinship can bring someone to a strong political and economic position. Therefore, the social capital can exclude people who are poor and do not have any access to social network. At this point, it is clear that two major aims of the concept, reducing corruption and helping underrepresented groups such as women and poor, can hardly be achieved by social capital in practice.

2 For more analysis on conceptual stretching see Sartori (1970).

3 Moreover, in a group psychology, social capital can result in loss of objectivity, see Edelman et al. (2002).

Regarding the empirical work on social capital, another important critique is based on the measurement or methodology of social capital. The concepts that social capital is based on such as 'norms', 'values', 'trust', and 'relations' are not observable variables. Besides, the impacts of social capital on economic development cannot be easily measured because to differentiate the effects of social capital from other societal effects is not a simple task. Therefore, validity problems arise in quantitative social capital studies. It is also possible to have aggregation problems on data because estimations on social capital are made on the basis of individual data.

Drawing from the recent findings, it is indicated that the theoretical and empirical studies on social capital is confronted with the lack of the analysis of power politics. Apparently, the concept is shaped by the language of economics rather than politics (Fine and Green, 2000). Participation to organizations and forming social structures reduce the risk of taking part in economic interactions and increase competition among the people. Social capital is based on the criteria that the more individual becomes stronger and capable, the more competition we have in the market. Nevertheless, all kind of conflicts and tensions (ethnic, class, race and gender) are omitted from the viewpoint of social capital. In a similar vein, change can hardly be explained by social capital literature.

In addition to various critiques, social capital literature is also weakened by the contradictions and inconsistencies within the theory itself. First, social capital is designed for empowering communities to be self-sufficient and reducing their dependency to the state. The idea behind social capital is that if communities can solve their economic, social, and political problems without conflict, there is no need for the state intervention. However, the same literature on social capital emphasizes the role of the state to improve social capital. Why does the state enhance social capital if later social capital threatens the state authority? Second, social capital theory investigates mainly local areas in microlevel and offers local solutions. Nevertheless, the theory at the same time aims to be universal and applicable to different societies. Third, the problems that social capital tries to solve are indeed the problems of capitalist system. This contradiction raises two main questions: First one is whether the problems of capitalist system can be solved by capitalist tools and second one is whether the capitalism can be compatible with solidarity and togetherness. Fourth, social capital projects are focusing on accountability, transparency, and reducing corruption in order to achieve good governance. However, it is questionable whether these projects and governing bodies themselves are functioning transparent or accountable. Another

point, as it was mentioned before knitted social ties have tendency to trigger corruption. Last but not least, while social capital is aiming to empower underrepresented groups such as women, children, and disabled people, there is always possibility of exclusion of these groups in this process. These main contradictions and questions will be clarified by the analysis based on the experiences of different countries about social capital programs under the auspices of the World Bank in the following section.

Methodology and Practice

Social capital has gained increasing prominence in the social sciences owing to the research activities conducted by the World Bank experts. It is to a large extent visible that research areas are defined and discussions on social capital are formed by the World Bank (Kovalainen, 2005; Kyoung-SOO, 2003; Harriss, 2002; Bebbington et al., 2006). Various kinds of research programs, surveys, field experiments, books, workshops, and conferences sponsored by the World Bank have increased the popularity of the concept. Besides, well-known economists participate in these programs and promote the concept by frequently using and reproducing it in the public space. In rhetoric, social capital is described as if it is providing cures for incurable diseases of underdevelopment, in spite of the fact there are no quick fixes and simple solutions about development (Fine, 2001). The World Bank accepts "big tent" definition that includes not only social cohesion and economic prosperity but also improvement of political, legal, and institutional structures (Halpern, 2005: 16-17). Nevertheless, social capital is a restoration project guided by the World Bank that keeps the existing structures the same but changes their appearances cosmetically (Cameron and Palan, 2004). According to the World Bank programs, the market is identified as social capital and the state is renamed as good governance. These concepts are actually designed for the alienation of people from politics while they are thinking that they are actively participating in governance and market transactions. In practice, all decisions are taken by the outside authorities rather than society. Therefore, it can be argued that these concepts seem easy and smooth but they are so powerful that they can rearrange socio-political conditions. The problems of measurement of social capital and case studies will raise more questions about social capital and show its limits.

Before investigating qualitative inefficiencies in the social capital theory and research projects, it is important to emphasize the problems of measuring social capital because the projects and the literature are based on collected data. The level of social capital and its effects on economy are measured

by regression analysis, game theory models, surveys, and field experiments.[4] It is clear that the ambiguity in the meaning of the concept brings methodological and measurement problems in social capital research. In general, when the definition of a concept is vague, the variables will not be effectively chosen and observed. The same problems arise in social capital literature too. Even if a descriptive definition was agreed on, no consensus or commonly accepted criteria would be achieved on the measurement of the concept because social variables such as trust, reciprocity, networks, and relations cannot be easily observed or represented in quantitative research. Besides, the distinction between outcomes and variables are not so clear. It is not easy to decide whether trust, reciprocity, and networks establish social capital or social capital is a prerequisite for achieving trust, reciprocity, and networks. When there is a cyclical relationship between variables and outcomes, the effects of social capital can hardly be measured.

The World Bank sponsored studies usually conduct surveys to provide quantitative data on the level of trust and solidarity, social cohesion, social inclusion, participation, political action, and the characteristics of groups and networks in different countries. As a part of a larger household survey (Living Standards Measurement Survey), Integrated Questionnaire for the Measurement of Social Capital (SC-IQ) is one of the significant surveys to obtain baseline data for the World Bank projects, academics, and policy makers.[5] The problems that can be faced in survey method also appear as folded in social capital surveys. First, the structure of the survey questions can direct people´s choices. For instance, GSS and WVS are conducted in Argentina to obtain societal data on trust. There are three different kinds of questions to measure the level of trust. Trust 1 question is "if you had to leave suddenly, whom could you trust to take care of delicate matters, such as your home, children or a dependent adult?" The respondents have different family members and others options. Trust 2 question is a scale question that people choose a point somewhere between disagree and agree: "the majority of people in this community are basically honest and you can trust them". Trust 3 question is also general and scale question: "today you can't trust anybody". Nevertheless, these questions produce different results. In Trust 1, only 33.1 percent of respondents were affirmative to trust to non-family members. In general questions, affirmative respondents rate is two folded that in the second question

4 Durlauf (2002) critically analyzes how empirical proof is achieved in order to investigate the role of social capital in socioeconomic outcomes.

5 SC-IQ is prepared by Grootaert et al. (2004). Other world wide tested surveys are General Social Surveys (GSS) and World Values Surveys (WVS). In this study most of the analyses will be based on SC-IQ.

the level of trust to others is 66.8 and it is 57.7 in the third question (Lederman, 2001). It demonstrates that the structure of the question and the way it is asked can change the results. Therefore, the results can be biased through the researchers' aim.

Most of the surveys are produced based on the principle of universality that they should be applicable to different regions. Nevertheless, as the social capital research aims to obtain data from different norms in different types of networks and structure, the researcher needs full investigation of the local characteristics of the regions. In fact, this point is usually omitted by the researchers and academics on social capital. In spite of the fact that all interviewees and enumerators are trained about the culture and characteristics of the local area before the survey start, the questions remain the same and have no clarification. These changes are small details in research but it affects local people's trust on the project and validity and reliability of the data used for academics and policy makers. For example, in SC-IQ, the question 5.10 is "in the last month, how many times have you met with people in a public place either to talk or to have food or drinks?" (Grootaert et al., 2004: 39). The expression of 'drinks' is considered as alcoholic drinks by most of the Muslim people and it will definitely affect their answers.

In these surveys, there is a great tendency that local people are usually eager to give information, suspect some of the questions, and misunderstood them. At Farai, a Nigerian village, chief of the region demands money to give information and threatens researchers to tell villagers that group of researchers are sent by evil otherwise (Nweze, 2002; Onu, 2002). It is clear that data obtained under these conditions is highly problematic and raises questions about the validity of social capital scales. In question 3.5 and 3.6, villagers are asked about their ability to have collective action and the richness of the village. Question 3.5 states, "what proportion of people in this village/neighborhood contribute time or money toward common development goals, such as (RURAL: building a levy or repairing a road; URBAN: repairing a road or maintaining a community center)?". Besides, question 3.6 asks "if there was a water supply problem in this community, how likely is it that people will cooperate to try to solve the problem?" (Grootaert et al., 2004: 35). In the conditions of extreme poverty, people in Nigeria fear that the assistance and help from outside will be cut, if their villages seem to be rich and people solve their problems on their own. Therefore, real measures will not be achieved. This demonstrates that the attitude to the survey questions is affected by many conditions. In addition, people are afraid of having punishments and put into prison because of political repression

applied them before. Suspicious respondents, on the other hand, think that no harm would be done to them because the names of all villagers are listed and they cannot put all of them into prison.

Researchers conduct surveys on social capital especially in underdeveloped African countries where children play outside naked, people hardly achieve drinking water, enough food, and electricity. Despite their proximity to Local Government Area headquarters, those villages such as Rumde and Farai do not have even roads that motor vehicles can use. While majority of the people are living under these conditions, SC-IQ includes irrelevant questions in order to analyze how often they read newspaper, listen radio, watch television, and travel. Therefore, local people have a right to give an answer as "[I] would rather use the little money [I] have to buy food for the household than to buy newspaper" (Onu, 2002: 7).

The survey also attempts to analyze market transactions and economic relations of the people. In Africa, when people are asked about their sources of market information (such as jobs, prices of goods or crops) in question 4.8, many respondents list 'self' as one of the major sources of market information, self is not listed in the options though. They do not need social capital to reduce the transaction costs of information because the source of information is actually themselves. Another example of an inconsequent question is 5.14, "in the last three months, how many times have you gotten together with people to play games, sports, or other recreational activities?" (Grootaert, 2004: 39). Actually, some respondents are not allowed to play games and sports by their religion. Some of them do not have any time or any access to participate these kinds of activities. Finally, most of them prefer to be devoted to work to bring food to household. Indeed, these surveys show the limits and weaknesses of the concept and the methodology. According to results of SC-IQ, many people who are below poverty line declare that they have to work and waste their time in more beneficial activities such as working and gaining money rather than playing games and improving social capital, in order not to die.

Social Capital and Poverty Survey (SCPS) is conducted in Tanzania in order to query three dimensions of social capital: people's membership in groups, characteristics of these groups, and personal values and attitudes (Narayan and Pritchett, 1999). The results prove that more purely economic associations are less important in Tanzania. The most valuable association is the church. When the average consumption expenditures per person was 50 cents per a day in 1993-1994, 47 percent of children showed signs of stunting, only

elites could achieve health and education services. In addition to Nigerian people, social capital is a luxury and belongs to elites also for Tanzania people.

One of the important critiques of SC-IQ survey is that it neglects different cultural features of the countries. Especially, there are problems with the language of the survey because translations produce new concepts and terms that local people are unfamiliar with. As a solution, therefore, in some regions survey questions are arranged according to local culture. For example, in Albania the survey questions are decided to be adapted to Albanian culture, society, and language.[6] Fis (extended family group), ethnic and religious groups that are the characteristics of the structure of Albanian culture and society are added to survey. Researchers believe that the adaptation will result in reliable measurement and data. Nevertheless, this is a method of directing the results of the survey. When the most significant characteristics were added to the survey, it becomes clear that people will choose these options. The researchers are well aware of that fis and ethnic, religious groups are important in the structure of Albanian society. For example, after new arrangements when Albanian people are asked a question such as "of all the groups to which members of your household belong, which two are the most important to your household?", their answers will definitely include the option of fis and ethnic, religious groups (Grootaert et al., 2004: 28). Moreover, all questions that are in the groups and networks section of SC-IQ can be biased through these new options.

In addition to unrecoverable ambiguities and biases in the measurement of social capital, social capital literature cannot show direct linkages between social capital improvement, poverty eradication, and economic development. This, therefore, brings the question of justifying of millions of dollars lent for social capital improvement while millions of people are waiting for a solution for global challenges all over the world. According to viewpoint of the World Bank, "social capital is the crucial missing ingredient in poverty reduction strategies" (Edwards, 2000: 31). The policy of the World Bank is that rules, norms, and values in society enable people to engage into cooperation that they cannot achieve otherwise. Cooperation therefore is accepted as a factor of economic development and poverty reduction. The World Bank sponsored social capital literature commonly argues that social institutions will reduce the cost of transactions and expedite information flow between

6 For further information on the adaptation to Albanian culture, see "Integrated Questionnaire for the Measurement of Social Capital Albania Field Test Final Report" Center for Economic and Social Studies, Tirana Albania, http://siteresources.worldbank.org/INTSOCIALCAPITAL/resources/Social-Capital-Integrated-Questionnaire/AlbaniaFinalReport .

agents (Fedderke et al., 1999; Helliwell, 1996). Moreover, collective action problems such as free riding will be solved and transparency, rationalization, and efficiency in market will increase. The actions of agents become much more predictable. Nevertheless, quite large social capital literature is not capable of explaining the effects of social capital on poverty eradication and economic development. Economic models and regression analysis are the main methods of empirical research on the effects of social capital on economic development (Durlauf and Fafchamps, 2004). In a similar vein, Lederman (2001) forms an economic model of social capital for Argentina. As an example, the formula is

(1) $nb(D) = U(\Delta SK(D) - w \bullet T(D) - \delta \bullet \Delta SK \bullet SK \geq 0.$

In this formula *nb*(D) refers to the function of net benefit in the decision of participation in social networks. First part of the equation, U(DSK(D), is the increase in utility that would be brought about by the decision to participate. Second part, w• T (D) represents the opportunity cost of participation. Third term, $\delta \bullet \Delta SK \bullet SK$ is the loss of social capital that would be produced by its depreciation that is related to expected probability of migration (Ledermann, 2001: 14-18). This formula demonstrates how it is difficult to turn incommensurable qualities into variables in quantitative models.

The World Bank social capital projects are produced uniformly. These projects are technical on the basis of rationalization and calculability. Social capital development proposals include different fields such as education, work, urban design, faith, technology, arts, and politics. From education to politics all areas are arranged in order to improve social capital. For example, proposal seeks in urban design "reducing urban sprawl and commuting times; pedestrian-friendly design; availability of public space"; in faith "a new 'great awakening' and engagement in 'one or another spiritual community of meaning'"; and in politics "increasing participation; reforming campaign finance" (Halpern, 2005: 294). Contrary to existing discourse, improving social capital aims direct intervention to individual including even faith and belief.

In spite of the fact that social capital projects attempt to increase participation in decision-making processes, the projects, even in small details, are determined by the authorities above society including global institutions. These policies do not take into consideration the idiosyncrasies of the countries arising from their non-uniform economic, political, and social structure. The World Bank accepts countries as replicas of each other and advises and implements stereotype policies, which have limited effects (Avdeenko and Gilligan, 2015). Even, social capital projects sometimes diminish the existing

social networks and relations in society. For instance, in Chile the evaluation of the FOSIS project results shows that 12 percent of the projects have neither negative, nor positive results, 14 percent of them do not have enough evidence to determine, and 6 percent of the projects are decided to have negative results on society (Van Domelen, 2003: 18). Negative results are commonly found in the situations that there has been diminishing role of social relations because of a conflict, social trauma in a psychosocial sense, frustration, external intervention, and worsening economic conditions such as crisis, indebtedness, and lack of investments. Another failure example is Zambia where micro-projects weaken the community organization, the spirit of self-help, and increase divisions within society (Van Domelen, 2003). Social capital projects that focuses on only one aspect of organically embedded problems of development are doomed to fail.

Social capital has gained prominent weight in poverty alleviation projects by focusing on enhancing social networks, cohesion, and cooperation so it has access to social funds. From post-communist Eastern Europe to Latin America social capital becomes an end in itself. Nevertheless, social capital projects ignore the fact that underdeveloped regions possess political, historical, environmental, geographical, and socio-economic differences. Common policies are implemented in post-conflict settings of Uganda, income inequality and poverty of Argentina, and post-communist structure of Romania. Indeed, there are even differences within a country. For example, Kayes and Ségou are two different regions of Mali (Reid and Salmen, 2000). Kayes has harsh geographical conditions such as rocky and mountainous terrain that are inefficient for agriculture. On the contrary, Ségou possesses rewarding terrain for agriculture. However, Kassama (village of Kayes) and Tingoni (village of Segou) share the same characteristic that there exist conflicts in these villages. In Kassama, there is a struggle over leadership that two uncles fight for chiefdom. In Tingoni the conflict among the village elders prevent establishing a water pump in the village. Therefore, the evaluation of the performances of the regions according to existence or absence of social cohesion will not provide solutions for the real developmental problems of the region.

The overall attention has been on the empowering social cohesion and achieving social funds rather than analyzing power relations. The classification of social capital as bonding and bridging is very little effort to address power relations within communities. Besides, the absence of change and conflict analysis demonstrates the inefficiency of social capital. Not only social capital but also all developmental projects aim to improve welfare of the poor (education, health, economy, and social status). However, social capital fails

to analyze the structural changes in identities, institutions, relations, and daily lives. All changes tend to produce conflicts and resistance (Polanyi, 1957). Conflicts arise on the basis of success as well as failure. In historical perspective, violence and prosperity have been inclined to go side by side (Wood, 2002). Chase and Woolcock (2005: 5) argue:

> In short, the introduction of new risks and uncertainties, the new political expectations, new intra-household (and inter-generational) dynamics, new 'rules of the game', new distinctions and categories (e.g. land as commodity), new ways of explaining biological (e.g. illness) and meteorological events (the weather, natural disasters), new practices for making life transitions (birth, adulthood, marriage, death), new forms of social relations- all are constituent elements of the developmental process, and all require fundamental transformations in identities, rules systems, and relationships; as such, all are likely to generate conflict as individuals and groups endeavor to manage these uneven, difficult transformations.

It is worth noting that smooth social change is not an easy task but social capital literature omits power struggle and conflictual nature of social transformation in different regions. Nevertheless, many underdeveloped regions that are subjected to social capital projects are multi-linguistic, multi-ethnic, and there are possibility of identity and power struggles. Definitely, these conflicts tend to increase in the transformation process. However, questions about any kind of conflicts are not included in social capital surveys. Projects initiated in Latin America, Africa, Middle East, and Eastern Europe, all need an analysis based on conflict, power, and change. For instance, heterogeneity and conflict in Indonesia prevent even asking questions about politics (Grootaert, 2001: 11).

Contrary to commonly accepted belief that social networks and relations produce beneficial outcomes for whole society; social capital will probably become a cost to people who are outside social networks and do not benefit social cohesion (Sobel, 2002). Or unexpectedly, people sometimes do not want to participate in social networks. When people do not accept to join to a group, they will be target of this group such as in mafia organizations. In social capital, exclusion of underrepresented groups and favoring the people only who have access to networks are against the criteria of equality (Borghans et al., 2006; Gugerty and Kremer, 2000). Community Driven Development project in Thailand is a good example of exclusion of poor and violation of equality principle. The most underprivileged and destitute groups are excluded from the project in Thailand because policy makers think that including these groups will reduce the effectiveness of the community and the success of the project (Chase and Woolcock, 2005). In addition, clubs and networks might cause distributional problems within society and increase

polarization. Improving social capital by promoting particular groups, in turn will be counter-productive. Each club and network has different characteristics that groups occupy diverging socio-economic conditions, different level of access to information, different gender, ethnic, and racial characteristics, and different origin. Lin (2000) argues that homophily, tendency to have relations with people with similar characteristics, directs people choice and structural constraints prevent social mobility. Therefore, social capital hardly changes the existing social strata and even improving social capital might increase the existing inequalities. The role of government is also criticized in a similar vein; Hjerppe (2003:11) claims "government's social capital, which promotes secure property rights are sometimes seen as pro rich, since the rich have more property to lose".

In addition to improving social networks, community spirit, and cohesion, good governance is the second pillar of social capital to achieve economic development. Good governance is introduced by the World Bank as a factor of development in addition to other indicators of wealth such as GDP per capita, Gini-coefficient, productivity etc. More and more researchers in the World Bank have accept the idea that GDP per capita does not really indicate real problems of development but good governance touches upon real problems of development and measures capability of government on leading economic development and increasing wealth of the people. While the first pillar of social capital focuses on the lack of trust, reciprocity, and efficiency; good governance, the second pillar, shifts the focus of attention to the absence of governing capacity of the state. That does not mean that good governance can get the real dimensions of development and create new opportunities for expanding human well-being. What is puzzling is the fact that this viewpoint puts overall attention to state and it appears as an answer to accusations continuously made to the World Bank, international organizations, and unsatisfactory reforms. The idea behind this perspective is that if the structural inefficiencies of the state are the main causes of the problems of development, the accusations continuously made to international institutions and their policies become invalid.

There are different aspects of good governance concentrating on government services, decision-making processes, and institutions that emphasize participation, governmental effectiveness, rule of law, transparency, and control of corruption, but more value is attached to building and maintaining efficient and transparent political, legal, and administrative institutions (Helliwell and Huang, 2006; Lukatela, 2007; Kolybashkina and Temnenko, 2005). However, social capital scholars ignore the fact that improving social

relations, network, and cohesion and having transactions by benefiting these structures might prevent development of legal regulatory institutions. At this point, a mechanism of social capital in Buem-Kator, an agricultural community on Ghana-Togo border area, is worth to analyze. Nugormesese has been a tool of social capital used by Buems to facilitate bilateral relations between people and to create an environment of trust.[7] It is a functional alternative and a substitute for formal contracts. If there were legal institutions to control and arrange transactions between people, *Nugormesese* would not live long. Therefore, it becomes clear that improving social capital and developing legal regulatory institutions are not always complementary.

Despite the scrutiny about The World Bank in living up to standards of good governance, the Bank designs good governance projects for the countries. These projects intend to investigate level of efficiency of governance by survey method and improve existing levels. For instance, the World Bank arranges research projects in Burkina Faso, Indonesia, and Bolivia (Grootaert, 2001). There exists local government strengthening and decentralization process sponsored by the World Bank that aims increasing transparency and accountability in Bolivia, Nicaragua, and Honduras. It is believed that a positive effect on social capital will be achieved by bringing government closer to people and holding it more accountable. In a similar vein, social capital can be developed by mobilized, well-informed citizens who are "sophisticated consumers of politics" (Boix and Posner, 1998: 690). Moreover, in social capital theory the accumulation of trust within society contributes to effective government by affecting the relations between the ruler and the citizens (Rotberg, 1999).

In this respect Sierra Leone experience of the World Bank is worth to analyze to understand inefficiencies of social capital projects on good governance. Sierra Leone is a West African country, which has significant pitfalls on the operations of the state institutions (Reno, 2003). State agencies suffer from lack of resources and capacity to prohibit mismanagement. Despite government's attempt to prevent corruption, it remains as the major threat in the political system. In Sierra Leone, corruption is assumed to be the main resource of the collapse of state authority. According to the Minister of Finance of Sierra Leone 70 percent of the customs revenue are tunneling. Besides, bribery covers all government administrations and bureaucracy. Much more important, corruption in the diamond-mining sector is a national problem. Revenues from diamond-mining would be enough to revive Sierra Leone economy, if corruption was prevented. Another significant point about

7 *Nugormesese* is an Ewe word that means understanding in daily language (Fred-Mensah, 2005).

diamond mining corruption that produce national even international problem is the support of armed groups inside and outside of the country.

These significant governmental problems of Sierra Leone take the attention of the World Bank as well as the international community. Therefore, the World Bank supports good governance projects in this country. Institutional Reform and Capacity Building Project (IRCBP) and National Social Action Project are two major social capacity development projects in Sierra Leone. Both projects attempt to empower social cohesion and fight with corruption. Nevertheless, their analyses are based on rhetorical tag and the projects do not mention real dimensions of the problem. The researchers lay overall emphasis on state and society, however there are different aspects of the problem of mismanagement and corruption. The multi-dimensional perspective is required to achieve a solution. For instance, the war with Revolutionary United Front in Sierra Leone ended 2002. There have still been tensions with militias, security problems, and violence. The rule of law and human rights are violated frequently. In Sierra Leone, British troops intervened into the civil war between 2000-2002. While people are living under these conditions, good governance projects refuse to see the existing problems in Sierra Leone. While people are facing deadly challenges in Sierra Leone, IRCBP focuses on behavior and belief and inquires in the Lessons Learned section in final reports, "promoting inclusion and strengthening accountability is about changing people's belief and behavior. How do we do it?" (Owen et al., 2005: 12).

Conclusion

The concept of social capital, which has generated wide range of discussions in the social sciences, is a slippery term. The significant point is that it does not have a commonly accepted definition; therefore, it is much easier to speculate on the meaning. Considering the existing definitions, the concept tries to cover as much as possible through conceptual overstretching, but remains limited in addressing the real problems about development. In the social sciences literature, the concept becomes synonym to every good achievement in society. However, the study shows that social capital does not always produce beneficial results. For instance, mafiatic organizations, corrupt relations, and exclusion tend to improve as a result of social networks and cohesion.

In addition to definitional and theoretical problems, the data obtained about social capital have reliability and validity problems due to methodological limits. Social capital is an attempt to quantify social sciences. However, incommensurable variables such as participation, trust, and cohesion produce

real problems on the structure of the existing empirical studies. Besides the structure of the questions in the surveys do not reflect real problems.

Social capital possesses mainly the language of economics. In addition, social capital produces new complexities and challenges of addressing the problems of poverty. Despite different theoretical traditions and multiple ontological foundations, the concept is a rhetorical tag. Social capital attempts to empower people in order to compete more through increasing efficiency, reducing transaction costs, and enabling people to reach information. In spite of the fact that economic actions are embedded in existing social relations or structures, it is not clear to what extent social capital is compatible with the contemporary spirit of capitalism. This is not the only contradiction that social capital theory has, there are other inconsistent points such as the role of the state, local actions, corruption, and excluded groups. Besides, the most powerful critique is the lack of analysis on power politics, conflicts, and change as it is shown with empirical data above.

The exaggeration of the concept in the social sciences literature is indebted to the World Bank policies. Various kinds of research programs, surveys, field experiments, books, workshops, conferences, and websites sponsored by the World Bank increase popularity of the concept. Besides, significant economists also participate these programs and promote the concept by frequently using and reproducing it in the public space.

In rhetoric social capital is described as if it is the solution of all incurable diseases of development. In spite of the fact that the concept is defined as 'the missing link' in the poverty reduction and 'glue of society', the analysis of the social capital surveys shows that social capital is actually inaccessible for many discriminated groups.

This study points out that social capital projects of the World Bank have been produced uniformly. Local authorities cannot be involved in the planning or policy making processes. Especially, social capital represents the interests of the small group of elites and international organizations. Considering the inequality principle hidden in the concept, social capital cannot improve social cohesion and cooperation; even it harms the existing nature of unity as it is experienced in Chile and Zambia. This study demonstrates that social capital is a reductionist term. First, social capital reduces the developmental problems to lack of social cohesion. Second, in the political system it reduces the problems of poverty alleviation to lack of governing capacity of the state. Therefore, it is clear that organically embedded problems of development are ignored. In spite of the fact that poverty is a global challenge, the solutions are

sought at the local. Social capital and good governance put overall attention to state and society and appears as an answer to accusations continuously made to the World Bank, international organizations, and unsatisfactory reforms. According to this perspective, if all developmental problems are explained by the structural inefficiencies of the state and society, the accusations to international institutions and their policies become invalid. Therefore, this study concludes that social capital is inevitably doomed to fail because it does not investigate organically embedded structure of the developmental problems. In order to foster mechanisms of development, social capital projects require broader, more collaborative, and innovative approaches.

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